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August 12, 2010

**VIA E-FILING**

Hon. Esther Salas, U.S.M.J.  
United States District Court for  
the District of New Jersey  
50 Walnut Street, Room 2060  
Newark, New Jersey 07101

Re: *N.V.E., Inc. v. Jesus Palmeroni, et als.*  
Docket No.: 2:06-CV-05455 (GEB) (ES)

Dear Judge Salas:

During last week's telephone conference, Your Honor directed me to submit a letter reporting on various issues we discussed. These are addressed below in no particular order.

First, Mr. Palmeroni advises that his company National Retail Consulting Group ("Consulting") once maintained a bank account at a Wells Fargo bank branch in Nevada, with activity in that account being quite minimal. Mr. Palmeroni is not currently in possession of the relevant account records, but is requesting them from that bank. The only other bank account maintained by Consulting has been the Lakeland bank account that was previously the subject of plaintiff's subpoena. We will supply plaintiff's counsel with a certification to this effect, as directed.

Second, Mr. Palmeroni reports that he is not in possession of any of Consulting's annual reports or documents relating to its formation, and does not know where they might be located. He advises that Consulting was incorporated in Nevada in December of

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2000, and has not registered to do business in any other state. Mr. Palmeroni is Consulting's sole shareholder and sole officer.

Third, with respect to the 2000 to 2006 tax returns for Consulting and for Mr. Palmeroni personally that your June 15, 2010 letter order directed him to produce, he advises first of all that Consulting filed no return for the year 2000. The balance of the returns are being provided by the accounting firm that prepared them. Mr. Palmeroni has already received those returns for the years 2003-06 and is sending them to me. Those for the prior years have apparently been separately stored and are currently being retrieved by the accounting firm.

Fourth, the parties have not yet reached final agreement as to the content of the proposed Confidentiality Order implementing your recent rulings, but have exchanged proposed drafts. I expect we will be submitting a proposed order to you in the near future.

Finally, I have recently conferred with both Mr. Palmeroni and Fred Shahrooz Scampato, Esq., his incoming counsel, and both have assured me that they expect Mr. Scampato to enter his appearance in the action within ten days.

I believe that covers all of the relevant issues. Thank you very much for your consideration of the foregoing.

Respectfully submitted,

/s/ Neil Grossman  
Neil Grossman

cc: (by email)  
Mr. Jesus Joseph Palmeroni  
Fred Shahrooz Scampato, Esq.  
All Counsel of Record (see service list attached)

NVE v. Jesus Palmeroni, et als.  
Case No. 2:06-CV-05455 (GEB) (ES)

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